

ROOM DOCUMENT # 1
Working Party on Tax Questions - Direct Taxation
Savings bilateral agreements with dependent
and associated territories of UK and NL
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Automatic Exchange of Information – Jersey, Guernsey, the Isle of Man and the Dependent & Associated Territories of NL & UK in the Caribbean

Since 1 July 2005, Jersey, Guernsey, the Isle of Man and the dependent and associated territories of NL and the [redacted] in the Caribbean have either reported information to each EU Member or applied a withholding tax to savings income of EU residents, based on the principles and machinery of the Savings Directive. The network of agreements follows a common model, negotiated at EU level, although signed, concluded and applied bilaterally by each Member State.

Four of these territories (Aruba, Anguilla, the Cayman Islands and Montserrat) provided automatic exchange of information from the outset.

[redacted]

To be noted that the agreements between Croatia and some of the dependent territories are still not finalised.

The dissolution of the Netherlands Antilles in 2010 into five components resulted in the creation of three special municipalities (Bonaire, Sint Eustatius and Saba), which are part of the Netherlands, although remaining outside the territory to which the EU Treaty and the EU Directives on taxation apply. These three municipalities exchange information automatically on interest payments under the Savings Agreements originally signed by the Netherlands Antilles with each Member State. Only the two former components of the Netherland Antilles which have become new constituent territories, while still being part of the Kingdom of the Netherlands (Curaçao and Sint Maarten), continue to levy a withholding tax.

The island of Saint-Barthélemy ceased to be an outermost region of the EU from 1 January 2012. It gained the status of overseas territory. At the time, France undertook to conclude the agreements necessary to ensure that the EU's interests were preserved when the change took place. The EU and France signed and concluded an agreement on the application of savings tax legislation to the collectivity of Saint-Barthélemy in 2014.

Recent international developments have resulted in all but two of these jurisdictions committing to being 'early adopters' of the Global Standard. Aruba and Sint Maarten have committed to first exchanges under the Global Standard by September 2018.

Apart from Sint Maarten and, at least formally, from the three municipalities of Bonaire, Sint Eustatius and Saba, all the above jurisdictions are included among the signatories of the Multilateral Competent Authority Agreement of October 2014.

Bearing in mind that exchanges under the Global Standard will be dependent on arrangements being put in place by each participating jurisdiction, in relation to each other participating jurisdiction, the Presidency puts the following questions to Member States:-

1. Do MSs see a need to revise some or all of the existing Savings Agreements with the Dependent and Associated territories, in the light of international developments on automatic exchange of financial account information?
2. If yes, should such revision follow the same bilateral approach as the existing agreements or should the Commission be mandated to negotiate on behalf of MSs?
